

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

FANNIE MAE,	)	Case No. 1:24-cv-1606
	)	
Plaintiff,	)	JUDGE BRIDGET MEEHAN BRENNAN
	)	
v.	)	<b><u>RECEIVER'S FIRST REPORT AND FIRST</u></b>
	)	<b><u>APPLICATION FOR APPROVAL OF FEES</u></b>
HATZ ONE LLC, et. al.,	)	
	)	
Defendants.	)	

Now comes the Receiver, Michael Guggenheim in his capacity as the court-appointed receiver (the “**Receiver**”), by and through the undersigned counsel and pursuant to this Court’s Order dated February 28, 2025, hereby files this First Receivers’ Report regarding the properties which are the subject of the within proceedings located in Shaker Heights, Ohio (the “Properties”). A copy of the First Receivers Report (“Report”) is attached hereto as **Exhibit A**. The Receiver further requests the Court’s approval as to the fees and costs of the Receiver and its counsel incurred in this case for the period commencing February 28, 2025 through April 28, 2025.

Respectfully Submitted,

/s/ Mitchell Cohen  
MITCHELL COHEN (0063046)  
Weyls Peters + Chuparkoff, LLC  
6505 Rockside Road, Suite 105  
Independence, Ohio 44131  
Tele. (216) 264-4822  
Email: MC@W-PLLC.COM  
*Counsel for Receiver*

## **MEMORANDUM IN SUPPORT**

### **I. OVERVIEW OF RECEIVERSHIP.**

On February, 28, 2025, this Court entered its Order Appointing Receiver whereby Michael Guggenheim was appointed as the Receiver for the properties which are more particularly described in Plaintiff Complaint (Doc 1, Par 36) and consist of a portfolio of residential apartment buildings, each three to four stories in height, located in neighborhoods of North Moreland, South Moreland/Ludlow and South Woodland areas of Shaker Heights, Ohio (collectively, the “**Properties**”). The Properties contain approximately 308 apartments with a current tenant occupancy of approximately twenty percent (20%).

Following the appointment, the Receiver signed and duly recorded the Oath and Bond of Receiver, a copy of which was previously filed with this Court (Doc 33). The Receiver took immediate steps to protect and preserve the Properties including inspecting the Properties in order to initially assess its condition and the priority needs of the buildings and of tenants therein. In addition, the Receiver obtained evidence that the Properties are sufficiently insured and has arranged for various due diligence investigations as to the Properties condition and engaged the property management services of The Hayman Company (the “**Property Manager**”).

The Receiver experienced several difficulties with the transition of the Properties from the Defendant. Despite attempts made upon Defendants, Receiver was provided with limited or incomplete information as to the operation of the Property from previous ownership, management, custody and control of its assets including a lack of current financial reporting and accounting. As this Court is aware, the principal representative of the Defendants, Mendel Steiner, pre-deceased the Receivership (Doc 26, Notice of Suggestion of Death) which subsequently led to Defendants prior counsel withdrawing from representation (Doc 34). As indicated in the Receiver’s First

Report attached hereto as Exhibit A, Receiver has communicated with Leo Gold to obtain some additional information regarding the operation of the Properties prior to the Receivership and for the voluntary transfer of certain additional funds held by Defendants. In accordance with the Receivership Order, Receiver has submitted its initial funding budget to Plaintiff and has received funds from Plaintiff as more particularly described in Exhibit A.

## **II. INCOME AND EXPENSES.**

For this initial reporting period, and pursuant to the terms of the Order Appointing Receiver dated February 28, 2025, Receiver submits to this Court that it has incurred Receiver's Fees of \$16,000 as set forth in the Receiver's Invoice attached hereto as Exhibit B. Receiver also engaged Mitchell Cohen Esq. of Weyls Peters & Chuparkoff, LLC as Receivers Counsel which was previously approved by this Court (Doc 34). As outlined in Exhibit B, counsel to the Receiver has incurred \$9,125 in attorney fees. As set forth in Exhibit B, counsel for the Receiver has participated in pleadings and motions in the within proceedings including the Order Appointing Receiver, conducted conferences with Plaintiff and Plaintiff's counsel, reviewed Court pleadings previously filed in the within proceedings and in other pertinent and pending litigation matters affecting the Receivership, engaged in correspondence with parties and counsel, reviewed due diligence material pertaining to the condition and operation of Properties, and advised the Receiver regarding such pending matters and various challenges for the transition of the Properties to Receiver from prior management, assisting Receiver to identify missing or incomplete information regarding property records, operating and financial reports. The Receiver states that the fees and all time incurred as set forth herein has been reasonable and necessary to the administration of the Receivership.

### III. CONCLUSION

For these reasons, Receiver respectfully requests that the Court approve this First Receivers Report, and approve the Receivers' Fees and counsel fees set forth herein.

Respectfully Submitted,

/s/ Mitchell Cohen

MITCHELL COHEN (0063046)  
Weyls Peters + Chuparkoff, LLC  
6505 Rockside Road, Suite 105  
Independence, Ohio 44131  
Tele. (216) 264-4822  
Email: MC@W-PLLC.COM  
*Counsel for Receiver*

**CERTIFICATE OF SERVICE**

The foregoing *Receiver's First Report and First Application for approval of fees* was served via Electronic Mail on April 28, 2025 to all parties and counsel of record in the within matter.

/s/ Mitchell Cohen  
MITCHELL COHEN (0063046)  
*Attorney for Receiver*

**Exhibit A**  
RECEIVERS REPORT

## Receivership Report 04/29/2025

Michael Guggenheim was appointed receiver on 2/28/25. The Hayman Company ("Hayman") was selected to provide full-service property management services for the entire portfolio. The management agreement was signed on 3/11/25. Funds received through April include \$494,500 for funding to cover the initial expenses associated with re-keying the properties, sanitizing & cleaning, payment of delinquent utilities, property set up, salary/payroll, maintenance & repairs and inspection reports (elevator, roof, mechanical systems, environmental etc.). In addition, \$52,000 was received from the Defendant's representative and \$24,854.00 was received from 35 tenants for April Rent. All the tenants have been notified of the management transition. On the administrative front Hayman continues to reach out to the existing tenants, hire staff (new on-site manager hired in March), set up accounting systems, open operating accounts, activate emergency on-call platform (Callmax), developing operating & capital budgets, transferring utilities, and assessing conditions at each property. Representatives of Fannie Mae & Greystone toured the property with the Receiver & Hayman on 4/2/25. Counsel has been retained to handle property tax appeals, evictions, collections & building violations.

Along with this report please find attached invoices for the applications for Receivership and Receivers counsel's fees.

**EXHIBIT B**

INVOICE OF RECEIVER AND RECEIVERS COUNSEL



**Michael Guggenheim- Receiver**

30775 Bainbridge Road, Suite 210  
 Solon, Ohio 44139  
 Phone (216) 765-8000 Fax (216) 765-1719

**DATE:** April 26, 2025  
**INVOICE #** 1300-A  
**FOR:** Case # 1:24-CV-1606

**INVOICE****Bill To:**

Fannie Mae  
 c/o Hayman Companies  
 29100 Northwestern Hwy., Suite 410  
 Southfield, MI 48034

DESCRIPTION		AMOUNT
Case # 1:24- CV 1606 Fannie Mae (Plaintiff) vs. Hatz One, LLC et al (Defendant)		
March Receivership Fee		\$8,000.00
April Receivership Fee		\$8,000.00
	<b>TOTAL</b>	<b>\$16,000.00</b>

Make all checks payable to **Guggenheim Inc.**

If you have any questions concerning this invoice, contact Michael Guggenheim, (216) 765-8000

[Mike@guggenheiminc.com](mailto:Mike@guggenheiminc.com)

**THANK YOU FOR YOUR BUSINESS!**

## INVOICE

Weyls Peters + Chuparkoff, LLC  
 6505 Rockside Rd. #105  
 Independence, OH - Ohio 44131

Invoice #: 2444  
 Date: 04-26-2025

Mike Guggenheim  
 Receivership  
 30775 Bainbridge Rd, #210  
 Solon, OH 44139

Matter Name: Shaker Heights Receivership

## Services

Date	Atty	Description	Quantity	Rate	Total
02-24-25	MIC	Conference call with Lender, Property Manager and Guggenheim to discuss Receivership scope and Receiver duties. Discuss proper condition, tenant occupancy, and related matters. Follow up calls with Receiver to discuss timing and terms for Receivership.	0.30	365.00	\$109.50
02-25-25	MIC	Review and analysis of pleadings filed in the foreclosure including prior emergency motions for Receivership, opposition pleadings filed by Debtors counsel. renewed Motion for Receivership and notice of death of Guarantor with pending probate proceedings. Calls with J. Ristau to discuss terms of proposed Receivership Order and calls with Receiver regarding same on pleadings filed and Motion for Court Appointed Receiver.	3.20	365.00	\$1,168.00
02-26-25	MIC	Call with attorney Justin Ristau additional updates on scheduled Court hearing on Motion for Receivership and pending motions filed. Review and discuss latest revisions to Proposed Receivership Order.	1.00	365.00	\$365.00
02-28-25	MIC	Provide comments and draft revisions to Receivership Order iReceipt and Review latest pleadings filed in the foreclosure for Receivership Hearing.	0.50	365.00	\$182.50
03-02-25	MIC	Conference call with Receiver discuss Receiver's oath, bond and insurance and property immediate needs. Review due diligence on property including PCA	2.30	365.00	\$839.50
03-03-25	MIC	Conference call with Receiver and Hayman Company discuss engagement for Property Management, terms and revisions to Receivership Order and Receivership records and documents provided from Lender. Calls and emails with Justin Ristau for additional documents pertaining to the loan, ownership entities, contact information and counsel info.	1.80	365.00	\$657.00
03-03-25	MIC	Prepare draft Receivers Oath and emails with Receiver on Bond and insurance. Misc emails from Lender's counsel and property manager on due diligence matters including borrower and guarantor information, bank and other due diligence and property information and records.	1.50	365.00	\$547.50

03-06-25	MIC	Review and comments on Hayman Management Agreement	2.90	365.00	\$1,058.50
03-09-25	MIC	Prepare summary of key dates in foreclosure and Receivership and discuss timing with Receiver.	0.30	365.00	\$109.50
03-10-25	MIC	Draft revisions and terms for Management Agreement. Conference all with Receiver and A. Hayman for further revisions and comments to finalize Management Agreement.	2.80	365.00	\$1,022.00
03-11-25	MIC	Draft Receivers Motion to Court for Retaining Counsel and proposed Order and filing of same with Court.	1.80	365.00	\$657.00
03-12-25	MIC	Site Visit to Shaker property and meeting with Receiver and Hayman. Identify and discuss transition issues for Receivership including safety, security and tenant related matters. Call with Borrower's prior legal counsel regarding Landlord/Tenant pending evictions and related matters.	2.00	365.00	\$730.00
03-13-25	MIC	Respond to emails with Kristen/Hayman Management request for information and copies of Receivership Order and other pending litigation, evictions, prioperty violation notices.	0.50	365.00	\$182.50
03-13-25	MIC	Conference call with Receiver and Powers Friedman Law discuss pending tenant evictions and engagement for continued representation by Reciever. Discuss City violations and possible criminal citations	0.80	365.00	\$292.00
03-14-25	MIC	Review property due diligence including environmental condition reports and discuss with Receiver summary recommendations.	0.40	365.00	\$146.00
03-22-25	MIC	Call with Receiver status of pending items including Borrower document turnover, scheduled meetings and property updates.	0.20	365.00	\$73.00
03-26-25	MIC	Follow up calls with Receiver on communications with Leo Gold and pending turnover of documents and information and financials. repara summary of key documents and due dates.	0.50	365.00	\$182.50
03-27-25	MIC	Status call with Receiver on pending matters.	0.10	365.00	\$36.50
04-01-25	MIC	Review property insurance coverage and insurance for Receiver and Property Manager. Calls with Receiver on pending litigation and asset recoveries from prior owner and representatives. Discuss engagement of local counsel and tax appeal.	1.20	365.00	\$438.00
04-04-25	MIC	Call with Receiver updates following site inspection of Properties, plans for future sale after improvements to stabilize the properties and discuss other pending items including negotiations with prior for turn over of rental income funds.	0.30	365.00	\$109.50
04-21-25	MIC	Review latest leadings filed by Defendants counsel to withdraw. Call with Receiver regarding project updates, rent rolls and emails with Receiver regarding pleadings and correspondence with representatives of Defendant including Leo Gold.	0.30	365.00	\$109.50
04-23-25	MIC	Call with Receiver on priority Receivership matters including including engagement of counsel for tenant evictions, review of engagement letter and budget for repairs and investigations,.	0.30	365.00	\$109.50

Services Subtotal: \$9,125.00

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Subtotal	\$9,125.00
Tax	\$0.00
Total	\$9,125.00
Payment	\$0.00
Balance Owing	\$9,125.00

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## Statement Account Summary

Previous Balance		New Charges		Payments Received		Total Amount Outstanding
\$0.00	+	\$9,125.00	-	\$0.00	=	<b>\$9,125.00</b>

## Detailed Statement Account Summary

Previous Balance:	\$0.00
New Charges:	\$9,125.00
Payments Applied:	\$0.00
<b>Total Amount Outstanding:</b>	<b>\$9,125.00</b>

## Detailed Operating Retainer Summary

Previous Retainer Balance:	\$0.00
Retainer Deposits Since Last Invoice:	\$0.00
Remaining Retainer Balance:	\$0.00

## Timekeeper Summary

Name	Initials	Hours	Rate	Total
Mitch Cohen	MIC	25.00	365.00	\$9,125.00

Trust Account Balance \$0.00

Operating Account Balance \$0.00

Total Matter Balance \$9,125.00

Please make all amounts payable to: Weyls Peters + Chuparkoff, LLC